

FISCAL IMPACT STATEMENT ON BILL NO. **S. 186, as Amended**

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TO:	The Honorable James H. Harrison, Chairman, House Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	R.J. Stein, Beth Campbell, Harry Bell		
DATE:	December 18, 2007	SBD:	2007396

AUTHOR:	Senator Gregory	PRIMARY CODE CITE:	16-17-504
SUBJECT:	Smoking Restrictions		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (see below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 186, as amended, amends Section 16-17-504 and Sections 44-95-10 through -90 of the Code of Laws of South Carolina, 1976, relating to building areas where smoking is prohibited. The Bill allows for the establishment of "smoking bars" and provides for application fees. The Bill increases penalties for violations from "up to \$25" to "no less than \$50." The Bill pre-empts all local ordinances governing the prohibition of smoking in public places and declares that local governments must not enact ordinances that are more restrictive than those contained in this Chapter.

EXPLANATION OF IMPACT:

Department of Revenue

The Department estimates that between 3,500 and 4,000 smoking bar permits would be issued under the Bill's provisions. Based on this estimate the Department indicates it would need 5.00 additional FTEs at an annual cost to the General Fund of \$165,526 for salaries & fringes. Other operating expenses (including printing and training costs) are estimated at \$63,850 and one-time computer software re-design costs are estimated at \$75,000. The first year cost to the State General Fund is estimated at \$304,376. Annual costs thereafter are estimated to be \$229,376. The impact on General Fund expenditures assumes revenue generated by these amendments to the Clean Indoor Air Act would not be retained by the agency.

Department of Health & Environmental Control

The Department indicates there would be no impact on agency expenditures.

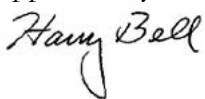
LOCAL GOVERNMENT IMPACT:

Five out of six local governments indicated the Bill would have no impact on their locality. One indicated a minimal impact.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this or any other Bill.

Approved by:



Harry Bell

Assistant Director, Office of State Budget